

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 988

Introduced by Preister, 5

Read first time January 9, 2006

Committee: Revenue

A BILL

- 1 FOR AN ACT relating to income tax; to amend section 77-2715.07,
- 2 Revised Statutes Supplement, 2005; to provide an income
- 3 tax credit for teachers as prescribed; to provide an
- 4 operative date; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes
2 Supplement, 2005, is amended to read:

3 77-2715.07 (1) There shall be allowed to qualified
4 resident individuals as a nonrefundable credit against the income
5 tax imposed by the Nebraska Revenue Act of 1967:

6 (a) A credit equal to the federal credit allowed under
7 section 22 of the Internal Revenue Code; and

8 (b) A credit for taxes paid to another state as provided
9 in section 77-2730.

10 (2) There shall be allowed to qualified resident
11 individuals against the income tax imposed by the Nebraska Revenue
12 Act of 1967:

13 (a) For returns filed reporting federal adjusted
14 gross incomes of greater than twenty-nine thousand dollars, a
15 nonrefundable credit equal to twenty-five percent of the federal
16 credit allowed under section 21 of the Internal Revenue Code of
17 1986, as amended;

18 (b) For returns filed reporting federal adjusted gross
19 income of twenty-nine thousand dollars or less, a refundable credit
20 equal to a percentage of the federal credit allowable under section
21 21 of the Internal Revenue Code of 1986, as amended, whether or
22 not the federal credit was limited by the federal tax liability.
23 The percentage of the federal credit shall be one hundred percent
24 for incomes not greater than twenty-two thousand dollars, and
25 the percentage shall be reduced by ten percent for each one

1 thousand dollars, or fraction thereof, by which the reported
2 federal adjusted gross income exceeds twenty-two thousand dollars;

3 (c) A refundable credit for individuals who qualify for
4 an income tax credit under the Beginning Farmer Tax Credit Act for
5 all taxable years beginning or deemed to begin on or after January
6 1, 2001, under the Internal Revenue Code of 1986, as amended; and

7 (d) A refundable credit for individuals who qualify for
8 an income tax credit under the Nebraska Advantage Microenterprise
9 Tax Credit Act or the Nebraska Advantage Research and Development
10 Act.

11 (3) There shall be allowed to all individuals as a
12 nonrefundable credit against the income tax imposed by the Nebraska
13 Revenue Act of 1967:

14 (a) A credit for personal exemptions allowed under
15 section 77-2716.01; and

16 (b) A credit for contributions to certified community
17 betterment programs as provided in the Community Development
18 Assistance Act. Each partner, each shareholder of an electing
19 subchapter S corporation, each beneficiary of an estate or trust,
20 or each member of a limited liability company shall report his or
21 her share of the credit in the same manner and proportion as he
22 or she reports the partnership, subchapter S corporation, estate,
23 trust, or limited liability company income.

24 (4) There shall be allowed as a credit against the income
25 tax imposed by the Nebraska Revenue Act of 1967:

1 (a) A credit to all resident estates and trusts for taxes
2 paid to another state as provided in section 77-2730; and

3 (b) A credit to all estates and trusts for contributions
4 to certified community betterment programs as provided in the
5 Community Development Assistance Act.

6 (5) There shall be allowed to all business firms as a
7 credit against the income tax imposed by the Nebraska Revenue Act
8 of 1967 a credit as provided in section 77-27,222.

9 (6) There shall be allowed to all individuals employed
10 as certified teachers teaching in a Nebraska-accredited school a
11 refundable credit against the income tax imposed by the Nebraska
12 Revenue Act of 1967 of five hundred dollars.

13 Sec. 2. This act is operative for all taxable years
14 beginning or deemed to begin on or after January 1, 2006, under the
15 Internal Revenue Code of 1986, as amended.

16 Sec. 3. Original section 77-2715.07, Revised Statutes
17 Supplement, 2005, is repealed.